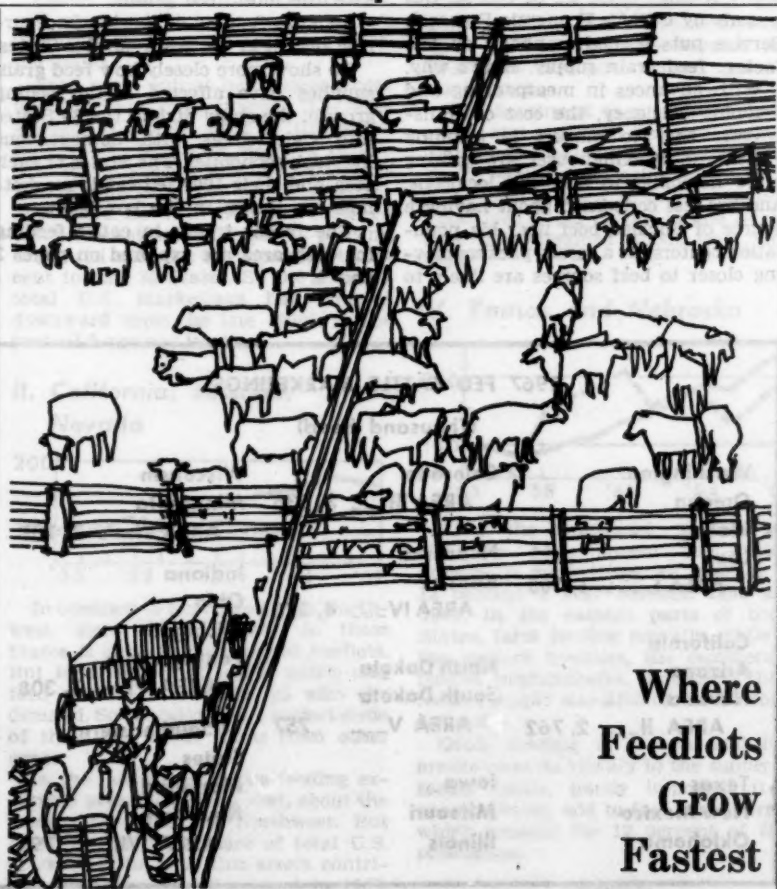


Agricultural Situation

Statistical
Reporting
Service

U.S. Department
of Agriculture

Vol. 52, No. 9



Where
Feedlots
Grow
Fastest

GRAIN SUPPLY AFFECTS THE FED CATTLE EXPANSION

Cattle feeding is expanding most everywhere. But the expansion has been uneven, averaging from over 20 percent yearly in one area to less than 5 percent in another.

Why are there such regional differences in cattle feeding expansion? Many reasons enter in, of course. But a study by USDA's Economic Research Service puts special emphasis on one factor: feed grain supply. Here's why.

With advances in meatpacking and shipping efficiency, the cost of transporting beef to market is trending downward. Packinghouses are gaining more flexibility in choosing locations, and are less concerned about having a source of finished beef near big population centers. As a result, packers moving closer to beef sources are likely to

look for locations which offer the lowest fed cattle prices.

Feed grain and feeder prices are the two biggest cost hurdles. Economical sources of both are needed to make a go of feeding under competitive conditions.

In areas where feeding has expanded, feed grain supplies have played an important role. The study points out that:

—Most of the Nation's fed cattle come from the same 39 States that produce the bulk of our feed grains. Last year, these States marketed nearly 22 million fed cattle, twice as many as in 1955.

—Within this group, the largest fed cattle marketings come from States with the most feed grain.

—Cattle feeding expansion is occurring fastest in the grain-surplus States.

To show more closely how feed grain supplies have affected cattle feeding growth, the study divides the 39 States into eight areas with homogeneous livestock economies. The States of each area and their 1967 fed cattle marketings are shown in the box below.

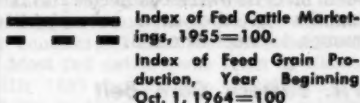
The recent trends in cattle feeding for each area are explored on pages 3 and 4.

1967 FED CATTLE MARKETINGS

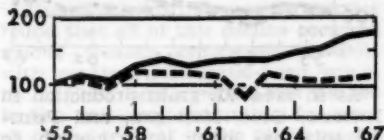
(Thousand head)

Washington	Colorado	Wisconsin
Oregon	AREA III___ 3, 636	Minnesota
Idaho		AREA VI___ 7, 101
Utah	Nebraska	
AREA I___ 1, 383	Kansas	Indiana
	AREA IV___ 4, 378	Ohio
California	North Dakota	Michigan
Arizona	South Dakota	Pennsylvania
Nevada	AREA V___ 757	AREA VII___ 1, 308
AREA II___ 2, 762		11 Southeastern States
Texas	Iowa	Maryland
New Mexico	Missouri	New York
Oklahoma	Illinois	AREA VIII___ 795

LEGEND



I. Pacific Northwest

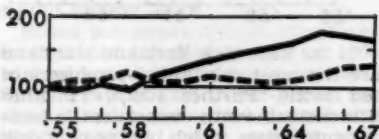


Cattle feeding in the northwestern and mountain States is generally on a smaller scale than in the bigger feeding States.

Feed grain output has lingered near the 1954 level. In most years, it is large enough to supply most of the area's needs, but sometimes leaves a deficit.

In recent years, cattle feeding expansion has not kept pace with the national average. Between 1955 and 1967, fed cattle marketings increased 78 percent, compared with the average of 104 percent for the 39 States. So the share of total U.S. marketings has trended downward since the late 1950's to the present 5-percent level.

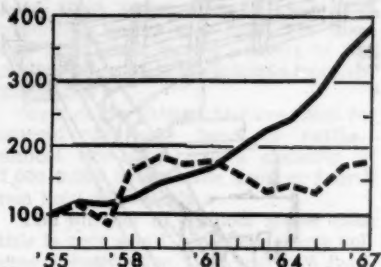
II. California, Arizona, Nevada



In contrast to practices in the Northwest, most cattle feeding in these States is done in commercial feedlots. But local output of feeder cattle and feed grain has not kept up with the demand. So operators must import some of these two costly items from other areas.

In the late 1950's, cattle feeding expanded over 6 percent a year, about the same rate as in the Northwest. But from a 15 percent share of total U.S. marketings in 1965, this area's contribution declined to 13 percent in 1967.

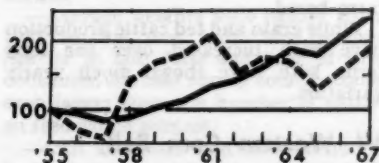
III. The Southwest



In a dozen years, fed cattle marketings from the Southwest quadrupled—the sharpest expansion of any area. Most of the new capacity has come from more and larger commercial lots. Their expansion has contributed to a 22-percent average annual gain in marketings.

The Southwest is surplus in feeder cattle and sufficient in feed grains—thanks to grain sorghum. Sorghum grain output, primarily from Texas, more than doubled from 1956 to 1958. Total feed grain output in the Southwest has remained about level since 1958.

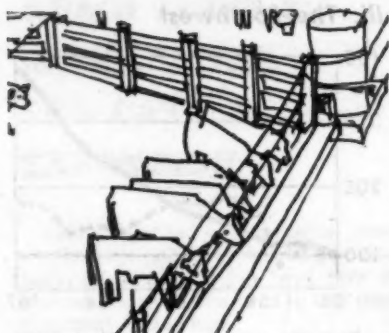
IV. Kansas and Nebraska



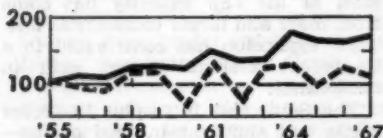
After the Southwest, Kansas and Nebraska have shown the fastest growth in marketings, an average of 12 percent a year between 1955 and 1967. In the eastern parts of these States, farm feeding prevails, while in the western counties, the commercial feedlot predominates. Together, these feeders supply one-fifth of the Nation's fed cattle.

Cattle feeding in Kansas and Nebraska owes its vitality to the supply of feeder cattle, partly imported from nearby States, and to feed grain farms, which account for 12 percent of U.S. production.

(continued)



V. The Dakotas



Although the Dakotas produce about one-half as much feed as area IV, the supply has been great enough to support a 75-percent expansion in the area's fed cattle marketings since the mid-1950's.

Except for a few commercial feedlots in South Dakota, most cattle feeding is farm-based.

While grain and fed cattle production have both increased over the long term, both have shown much yearly variation.

VI. Western Corn Belt

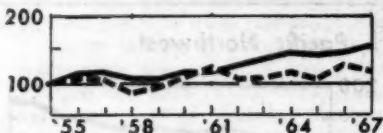


One fed beef animal in three comes from the Corn Belt States of Iowa, Illinois, Missouri, Wisconsin, and Minnesota, traditional centers of cattle finishing. Still, this is a smaller proportion than the nearly 40-percent share of 13 years ago.

Iowa is the leading feeding State. It accounts for 57 percent of this area's fed cattle marketings, and almost one-fifth of the U.S. total.

The Western Corn Belt receives some Southwestern and Western feeder cattle to meet its own stock needs. But feed supplies in the area are plentiful enough to meet demand.

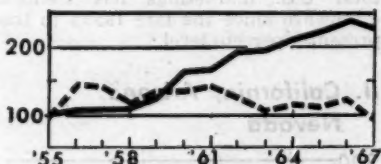
VII. Eastern Corn Belt



As in area VI, grain production in Indiana, Ohio, Michigan, and Pennsylvania has been large enough to handle local feeding demands. However, feeding has remained mostly on a farm level, and feeder stock must be imported from the West and Southwest.

Fed cattle marketings expanded 50 percent between 1955 and 1967, while feed grain output increased at a slower rate. With other areas expanding output faster, the Eastern Corn Belt has a declining share of U.S. fed cattle production.

VIII. Other States



In the East, New York and Maryland are the most substantial producers of fed cattle. Further south, 11 other States significantly support cattle feeding enterprises, which tend to be widely scattered throughout the region. They are self-reliant for feeder cattle, but deficit in feed grain production.

Grain output has not changed significantly during the past 12 years. But marketings in the 13 States increased from several hundred thousand at the beginning of the period to about 800,000 last year. This represents an average annual expansion of over 10 percent, close behind that of the Kansas-Nebraska area.

John Larsen
Economic Research Service

Fewer Feed Lots Market More Fed Cattle

Each year since 1962, fed cattle marketings have increased and the number of commercial feedlots have declined.

Most fed cattle come from 32 States with 1967 marketings ranging from 47,000 in Mississippi to over 4 million in Iowa. In 1962, there were 236,000 feedlots in these States. In 1967, just 5 years later, there were 212,000.

The Statistical Reporting Service found that all of this decline occurred among smaller commercial feedlots with less than a thousand-head capacity. In 1967, there were still over 200,000 in this category, accounting for most all of the feedlots in the 32 States. Of the 25,000 small feedlots which had disappeared since 1962, apparently most had gone out of business or merged with others. A few graduated to the over-1,000 head category.

In 1967, although there were one-third more lots holding more than 1,000

head than there were in 1962, they numbered barely over 2,000. Yet these lots accounted for 46 percent of the 21,700,000 fed cattle marketed from the 32 States.

Most of the large lots have room for several thousand head of cattle—almost one-half have a capacity of 1,000-2,000 head, while another fourth can hold 2,000-4,000.

The number of feedlots larger than this is very small, but their yearly volume is impressive. Last year, 225 feedlots with a capacity larger than 8,000 head were able to market 5,236,000 fed cattle, one-fourth of the entire 32-State total.

And 13 of these feedlots could hold 32,000 animals or more at once, compared with only five such lots in 1962. Last year this baker's dozen of giants marketed nearly 1 million fed cattle.

Statistical Reporting Service.

Fed Cattle Marketings To Continue Upward

The Economic Research Service expects less vigorous fed cattle prices during the last months of 1968.

In the first half of this year, cattle feeders were well in tune with consumer prosperity. Large fed cattle supplies were balanced by very strong demand for beef, and Choice steers at Chicago averaged over \$2 per hundred-weight above 1967.

But, while income gains are slowing down, further increases in fed cattle output appear likely.

Rising per-person income after taxes in 1967 and the first quarter of 1968 enabled consumers to buy more beef. But the rate of gain in per-person income slowed in the second quarter, and the 10 percent surtax, coupled with Government spending cuts, will affect spending power later this year.

Fed cattle marketings, meanwhile, continue upward. During the first two quarters of this year, 4 percent more fed cattle were marketed than in the same quarters a year ago.

In 1968's third quarter, July-September, cattle feeders intended to market 5 percent more cattle than a year earlier. Prices are expected to remain above 1967 levels for this quarter, however, unless the market becomes glutted with heavyweight cattle.

All indicators point to an even larger supply of red meat in the last quarter:

—On July 1, there were 8 percent more cattle on feed in the weights which will supply the majority of the marketings, compared with a year earlier.

—Average weights were lighter than 1967 in the first half, but became heavier in late June and July. If this continues, the beef supply could become even larger than the number of cattle on feed would suggest.

—Calf slaughter had been trending lower, but is expected to nearly equal last year's level during the second half of 1968. More pork is expected, too, as output makes the seasonal fourth-quarter gain.

The strongest pressure on fed cattle prices is occurring in Western States. Summer marketings increased more in the West than the national average, and in the Southwest were sharply above the summer 1967 level.

On July 1, in contrast to a small increase in feeders for fall marketing in the midwest, there were 13 percent more cattle in eligible weight ranges in California.

Economic Research Service

MORE CALVES

The availability of veal, beef, and dairy products at the supermarket is tied to the number of calves born each year to replenish herds on farms and ranches.

This year, the supply of calves likely will be larger than in 1967, since both cow numbers and the calving rate have increased.

On January 1, there were nearly 50 million cows and heifers 2 years and older. This was slightly more than the 49.9 million of 1967 or the 49.7 million average. The ratio of the calf crop to the January 1 cow inventory is 88 percent, 1 point higher than in 1967.

The calf crop for all of 1968 is estimated at 43.9 million, 1 percent larger than last year's crop. The new crop would also be about 1 million head larger than the average for 1962-66.

In the North Central region, the largest single source of calves, about the same number will be born as in 1967.

The Southern States, another major calf source, are expected to produce 2 percent more. The Crop Reporting Board also estimated a slightly larger crop for the Western States and a decline of 2 percent in the North Atlantic Region.

Statistical Reporting Service

FEWER LAMBS

Farmers are producing fewer lambs and shearing fewer sheep this year.

The 1968 lamb crop of 14.5 million head is 4 percent smaller than last year. The crop includes "early lambs" born after October 1, 1967, in addition to this year's spring and summer lambs.

Most lambs come from Texas, South Dakota, and 11 other Western States. The 1968 crop in these 13 States, 10.1 million head, was 3 percent smaller than the 1967 crop. All States had decreases except Wyoming, New Mexico, and Texas.

The lamb crops of 35 other sheep-raising States were down more sharply, a collective 6 percent smaller than in 1967.

This year's small lamb crop is in line with the smaller number of ewes 1

year and older on farms January 1. There were 15.3 million in all States, compared with 16.2 million a year earlier.

Wool production also has been cut back this year. The 13 Western States are shearing 6 percent fewer sheep. With average fleece weight of 8.7 pounds, the same as last year, production of wool would also be 6 percent lower.

In 35 other States, 7 percent fewer sheep are being shorn, and "fleece" wool output is expected to be 8 percent lower, due to slightly lighter fleece weights this year.

U.S. wool production is estimated at 175.9 million pounds, a 7-percent drop from 1967. Since nearly one-half of the fleece weight is lost in cleaning, output of wool on the clean basis is estimated at 83.9 million pounds.

Statistical Reporting Service

COTTON COMEBACK

August 1 conditions suggested that cotton production would be about midway between last year's small crop and the average of recent years.

The crop was indicated at 11 million bales of 500-pound gross weight. Last year's production amounted to 7.5 million bales, while the 1962-66 average was 14 million.

Cotton farmers planted 17 percent more acreage than in 1967. Abandonment of plantings, much smaller than last year, but a little worse than average, was heaviest in some flood-damaged Central cotton States.

In general, plant development to August 1 was good, encouraged by warm weather and favorable rainfall patterns between mid-June and early August.

This also proved encouraging for weeds and bugs. Insects were especially heavy prior to August 1 in the Southeast, East and South Texas, Arizona, and California.

There were indications of above-average yields in 6 of the 14 major cotton States, and an overall lint yield of 511 pounds per acre, compared with the 500-pound U.S. average of recent years.

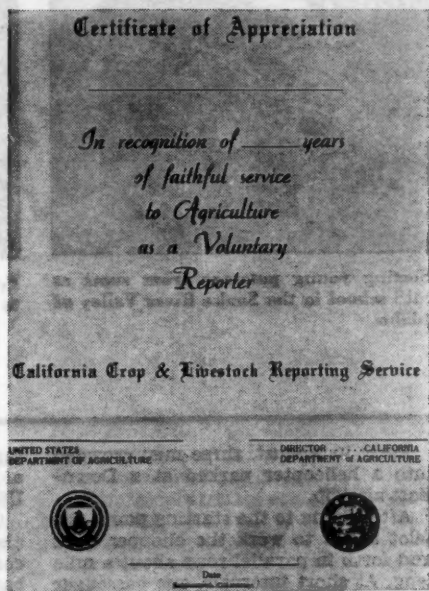
Statistical Reporting Service

California Commends These 25-Year Crop Reporters:

Roy Blixt, Escalon
Paul Borkey, Paso Robles
James Bristol, Jamestown
Brown Ranch, Susanville
Mrs. G. R. Burgess, Zenia
Double H-N Ranch, Fillmore
Elkhorn Farm, Watsonville
Mrs. Wendall Evers, Biggs
C. Fitch, Sonora
Frei Bros. Corporation, Santa Rosa
Ben Garcia, Sebastopol
P. T. Garlinger, Co., Chualar
Leland Hake, Denair
Mrs. Merrian D. Harlan, Marysville
Max Henley, Angels Camp
John Huberty, San Andreas
H. M. Hunt & Son, Gustine
Peter Ihurburn, Susanville
Johnson Bros., Madera
E. A. Jordison, Brawley
Los Rios Corporation, Yucaipa
Cyril Mamath, Lookout
Gilbert Moltzen, Sanger
Redbanks Packing Co., Woodlake
T. B. Roberson, Escalon
Oscar Standley, Windsor
Sunnybrook Farm, San Gregorio
Rennie Taylor, Santa Rosa
Olin Henry Timm, Dixon
Mary E. True, Paso Robles
James N. Young, Fairfield

Farmers, ranchers and agribusinessmen have been volunteering farm facts continuously for more than a century.

Not only agriculture but the entire U.S. economy is indebted to them for their efficient, consistent contribution of farm facts. They give us the planning tools without which farming in the United States would be a pretty grim affair.



Information based on the crop reports helps farmers and related businesses plan for the booms and weather the busts. And crop-livestock information plays a great part in keeping the average American food budget lowest in the world, and the American diet one of the most nutritious.

California has the highest value of agricultural production of all the 50 States, leading in most fruits and vegetables, and ranking among the top States in horticulture, rice and cattle feeding.

This month AGRICULTURAL SITUATION is privileged to honor 31 of California's many hundreds of volunteer crop and livestock reporters who, within the past year, have celebrated their Silver Anniversaries—25 years of continuous reporting.

They have been awarded Certificates of Appreciation by the California Crop and Livestock Reporting Service, underwritten by the State's Department of Agriculture and USDA.



Sorting young potatoes from roots at SRS school in the Snake River Valley of Idaho.



Potatoes in the plastic bag will be sent to a lab for grade and yield estimates.

Early in August, three men crowded into a helicopter parked at a Down-East airstrip.

After flying to the starting point, the pilot began to work the chopper back and forth in parallel rows about a mile long. At short intervals, one passenger called out a description of the Maine countryside below, "... potatoes ... other ... sugarbeets ... potatoes ...", while the other wrote quickly on an aerial photo spread in his lap.

After several days of these systematic flights, the job was done. The helicopter crew had completed the first step in a careful investigation of Maine's biggest crop—potatoes.

Although the national potato situation is fully documented by the Statistical Reporting Service, many potato farmers and processors also find use for more detailed information, which applies to local crop practices and marketing.

Before, during, and after harvest, growers rely on the State, regional and national figures in SRS reports. These reports include yield and production estimates, stocks, and end use of potatoes. Not covered, however, are locally important details, say the production of each variety within one State.

To supply more local facts, the

farmers, processors and governments of four States are collaborating with USDA on special potato surveys.

They are the objective yield type already in use for major crops such as corn or cotton. All measurements are based on a truly random sample to eliminate the personal bias of a surveyor or his source of information. Completely impartial estimates then can be made on the basis of a small sample.

The State surveys, conducted for the first time this year in Maine and Wisconsin, were begun in 1964 in Colorado and in 1965 in Idaho. These diversely located States account for about one-half of U.S. potato production.

Since the objective type of survey relies on trips to the field as well as interviews with farmers, the actual gathering of facts is closely tuned to the growing season.

First step is the choice of fields for sampling. The selection process, which differs in each State, results in the unbiased choice of 100 to 300 fields.

In Wisconsin and Idaho, potato farms from several comprehensive lists are "tossed into the hat" for random selection. In Maine and Colorado, though, it takes systematic aircraft flights over segments of land in potato

DATA HARVEST

farming areas to identify potential fields for sampling. The flights, involving a helicopter in Maine and a light plane in Colorado, are made when potato plants are well developed and easily identified from the air.

While the crop matures, the SRS trains enumerators in the techniques of objective measurement and observation.

The chore of measuring the crop begins in earnest after the potato plants have been vine-killed to set and thicken the skins. Enumerators are on hand about 5 days before harvest to dig sample hills. And they are back again after harvest, to determine how much of the crop remains in the field.

The enumerators have raised potato digging to a fine art. Before entering a new field, boots and all equipment must be scrupulously cleaned to prevent the possible spread of plant diseases from one farm to another. This is especially important in the sampling of fields of seed potatoes which are to be certified.

The enumerator has no idea which hills of potatoes he will sample. But he knows precisely how to get to them: by counting off a certain number of rows from a certain corner of the field, so many hills from the end. Taking this

path, he marks the small sample on which estimates are based.

What kind of facts can enumerators dig out of such an excursion? Just about any characteristic of the growing crop that local potato people feel is vital to them.

The Idaho survey, for example, includes average row and hill spacing and plant density which gives a clear picture of farming trends over several years of surveys.

The type and quality of Idaho potatoes also becomes apparent in the survey, which estimates the proportion of the crop meeting various USDA grades and the proportion of each variety, by area in the State.

One result is common to all four special potato surveys. That is an indication of yield per acre to supplement regular SRS crop production estimates for potatoes.

Cooperating in their support of these surveys are potato growers and processors, the State Departments of Agriculture, and two USDA Agencies. The Consumer and Marketing Service provides matching funds and grade information, while the SRS contributes survey know-how and supervision.

*Statistical Reporting Service
Consumer and Marketing Service*

Growers Turn More Hay Into Cash Nowadays To Supply Increasing Livestock Numbers

The chore of pitching hay has returned farmers a cash income of more than a half-billion dollars in each of the past five seasons.

While this is well below earnings for many other cash crops, it represents a catching up in the past decade.

In 1956, for example, farmers sold 10 percent more tonnage of hay than 10 years earlier with a volume totaling 15 million tons. But in recent years, sales of hay have soared to some 23 million tons a year, up 50 percent from a decade earlier.

Expansion of the hay crop, mostly from increased yields, has been sharpest in the Midwest, Mountain, and Pacific Northwest regions.

Although researchers can tick off many supply and demand factors possibly affecting the farm price of hay, major influences boil down to four. The size of the hay crop, pasture-feed conditions, the number of hay-consuming livestock, and prices farmers receive for dairy products and beef cattle were chiefly responsible for changes in hay prices during 1957-66.

Researchers found that changes either in the size of the hay crop or pasture-feed conditions brought about price changes in the opposite direction. But changes in numbers of hay-consuming livestock or in prices received by farmers for dairy products or beef cattle brought a change in the hay price in the same direction.

Thus, a 10-percent increase in the size of the hay crop during 1957-66 would have brought a 10-percent decrease in prices, if the other factors of pricing were unchanged. And changes in pasture-feed conditions would have produced a similar effect on hay prices.

But an increase in hay-consuming livestock of about 10 percent tended to raise the price of hay by 10 to 12 percent. A 10-percent increase in prices of beef cattle and dairy products had the effect of increasing hay prices 5 percent—the least effect of any of the major factors.

Over the past decade a 10-percent

change in the hay price was equal to about \$2 per ton. Prices for the 1967 hay crop averaged \$24.50 per ton.

Hay prices usually rise as the marketing season progresses, so as to cover handling and storage costs. Also, the value rises as the moisture content falls.

In the 12-year period, 1955-66, the average rise in the price of hay from July to February neared \$3 per ton—about a 14-percent gain in value.

Economic Research Service

Check Bull's Bluebook Rating as Dairy Sire To Up A1 Profitability

Over 2,000 dairy bulls are used for artificial insemination in the United States. Which one is best for your dairy breeding purposes?

The best bet is one of those with above-average sire evaluations from the USDA-DHIA Sire Summary List.

This bluebook of dairy breeding rates each bull according to the milk-producing ability of his daughters. Called the Predicted Difference, the rating is the variation, plus or minus, between the annual milk yield of the bull's daughters and the yield of the offspring of all other bulls in the same herd and time period.

Shopping for a dairy bull with superior yield potential can be well worth the effort. For example, the daughter of a bull that transmits an annual yield potential of 400 pounds of milk above breed average is worth \$21.80 a year in extra income, at current prices.

And, since semen from top sires usually costs no more than semen from average bulls, the initial cost is no greater.

Sire evaluations are the cooperative effort of the Agricultural Research Service and the Federal Extension Service. For up-to-date information and evaluations, write to your State dairy extension specialist.

A RESOURCEFUL NATION ATTACKS ITS PROBLEM OF TRADE IMBALANCE

With an agricultural production covering 90 percent of its domestic food needs, exports equaling 70 percent of its imports, and a per capita income about on a par with Western Europe, this country has come a long way in its first 20 years. Its name?

Israel, a good customer for U.S. goods. Israel has built its thriving economy in so short a time by putting agriculture first. This, plus much outside help during its first decade, helped it overcome such obstacles as heavy immigration, a culturally mixed citizenry in densely populated centers, largely arid lands, and the ravages of three wars in less than a generation.

Another obstacle—a persistent trade deficit—is yet to be overcome despite recent policy changes. This has been a tough problem from the beginning. As recently as 1964, Israeli exports still covered only 43 percent of imports.

Also, things that had been helping matters soured. German reparations directly to Israel, which for more than a decade helped stimulate the Israeli economy with total payments of about \$900 million, ended in 1965; a drop in immigration precipitated a decline in construction (and therefore in employment); and government measures were taken to "unheat" the economy.

As a result, Israel's annual economic growth rate dropped sharply, from an average of 10 percent in the preceding decade, to a trickling 1 percent in 1966. However, the rate was up to 2 percent last year and is expected to return to above 8 percent this year.

Although the trade picture previously had been improving from a weak 9 to 1 ratio of imports to exports in the early days of nationhood, the ratio was still deficient in 1964. Although better in 1965, exports had expanded only enough to equal about half of imports.

Then, in the first year of the firmer trade policy, exports advanced from \$406 million to \$475 million, while imports dipped slightly. Last year, exports jumped to an estimated \$518 million, covering 70 percent of imports.

Israel's imports, however, have very recently been forced upward. The economy is again gaining momentum. Apparently, imports advanced 7 percent in the last quarter of 1967—reflecting largely a rebuilding of depleted inventories.

Agriculture has received priority in Israeli planning, but industrial development has been proceeding apace.

In fact, by 1966 more than half the income from the kibbutzim (Israel's distinctive farm-based collective communities) was coming from industrial enterprises, although mostly based on agriculture.

Israel finds it practical to import most of its red meat. In 1966, U.S. meat exports to Israel totaled nearly \$5 million. Israel's total meat imports that year were \$28 million.

We supply most of Israel's imported small grains, sorghums, and corn. In 1966-67, U.S. shipments accounted for 95 percent of Israel's wheat needs. But last year, Israel's own bumper wheat crop covered almost 60 percent of the country's wheat requirements.

On the other side of the trading post, Israel's chief export, citrus (and products), accounts for more than half of its total agricultural shipments. Last year, for the first time, Israel was a net exporter of cotton.

Michael E. Kurtzig
Economic Research Service

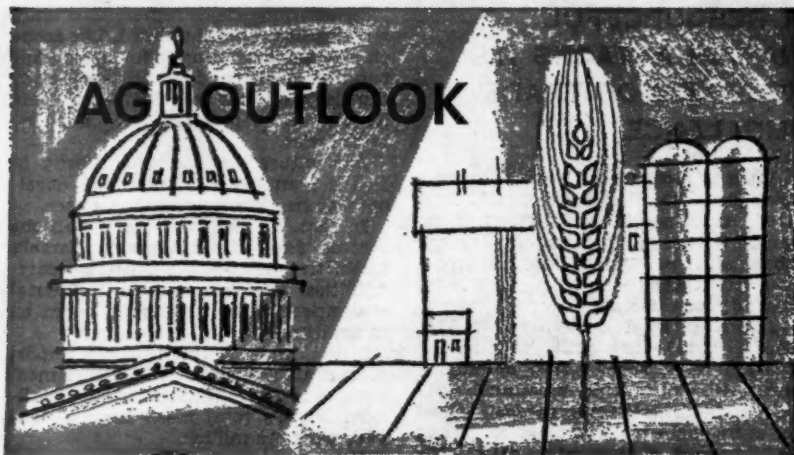
Israel's Co-ops

Kibbutzim and moshavim, the unique cooperative farming units, were Israel's reply to the challenge of limited farmland and citizens more accustomed to trade than to tractors.

Moshavim are village cooperatives uniting up to 150 independent farm families. Collectively, the moshav buys home and farm needs, markets produce, provides credit and the like.

The wider known kibbutz is a collective farm, with 60 to 2,000 members. A democratic farm community, the kibbutz pools ownership, resources, and services. Members perform assigned tasks, but receive no cash in return. Instead, the kibbutz takes care of each member's needs.

Today Israel has 346 moshavim and 230 kibbutzim.



Based on Information Available September 1, 1968

FEWER FALL POTATOES

Although the late summer potato crop is larger this year, fall potato production will be down moderately from 1967.

Potato prices in recent months have been relatively low. But an expected reduction in storage supplies is an indication that prices will average better than last year.

FEED GRAIN SUPPLY

The big 1968 feed grain supply may meet with a stronger demand in the coming year. The combined 1968 crops of corn, oats, barley, and sorghum grain—estimated in August at 174 million tons—are a little smaller than the 1967 crops. But the carryover is much larger than last year, adding up to 5 percent more of these grains on hand in 1968-69.

Little of this year's crop will wind up stagnating in storage if, as expected, large "free" stocks and favorable livestock-feed price ratios encourage heavier feeding, and feed grain exports pick up a bit.

PORK SUPPLY MAY RISE

Watch for a larger supply of pork in the first half of 1969, if current farrowing intentions materialize.

Sows farrowed during June-November of last year resulted in a 6.3 billion-pound pork supply in the first half of 1968. Since producers report intentions of farrowing 2 percent more sows this June-November than last, a larger output of pork is possible in January-June 1969. Apparently more favorable livestock-feed price ratios are the primary motivation for increased farrowings.

COTTON DEMAND COULD SLOW

Although the 1968 cotton harvest is expected to produce less cotton than we will utilize this marketing year, our rate

of mill consumption and export may be slightly lower than last year. During April-July 1968, the rate of daily mill consumption, seasonally adjusted, averaged 6 percent below the previous quarter's level. Signs do not show a rate recovery during the next few months.

TURKEY PRICE RECOVERY

Farmers received an average of 19.5 cents per pound for turkeys last year, compared with 23.1 cents a year earlier. Although prices have remained low so far this year, a recovery is expected, as growers market 16 percent fewer turkeys, and USDA's purchases of cold storage turkey help to remove an excess of old stocks.

WHEAT FEEDING CRITICAL

The wheat supply is again large this marketing year. It is almost 0.2 billion bushels higher than the 1967-68 supply of 1.9 billion bushels. A bigger July 1 carryover accounts for two-thirds of this increase. The rest comes from the record 1968 crop, buoyed by a record yield of 28.3 bushels per harvested acre.

What will be done with all this wheat? On the domestic scene, food use will take up little more than $\frac{1}{2}$ -billion bushels, as in the last marketing year. Since the U.S. wheat allotment declines again next year, seed use of wheat should decrease from 72 million to about 60 million bushels.

Because of the large supply, wheat feeding could increase to 100 million bushels or more, compared with only 64 million bushels last year.

All told, domestic use of wheat in 1968-69 should account for about 0.7 billion bushels of the 2.1 billion-bushel supply.

EXPORT TARGET THE SAME

The Government's target figure for wheat exports in 1968-69 is again 750 million bushels. Last year's exports slightly exceeded the target, but several factors will make success more difficult in this marketing year.

The 5 leading wheat producers—United States, Canada, Australia, Argentina, and France—have 235 million bushels more wheat available for export than a year ago. This will be the third straight season in which at least 10 billion bushels of wheat will be harvested worldwide. India and Pakistan, two of our largest wheat takers last year, have much improved crops underway. World wheat trade is expected to be at about last year's level of about 2 billion bushels.

NEXT CARRYOVER LARGER

The amount of the 1968-69 wheat supply destined for carryover in July 1969 will depend mainly on the extent of wheat feeding and wheat exports. Supposing that we meet our export target and that wheat feeding is double the past year's level, the 1969 carryover would likely be 140-165 million bushels larger than this July's 537 million bushels.

Most Farmers Use Pesticides; Weed Killers Are The Fastest Gainers Now

The Cost Nears Half a Billion

Add 0.4 pint of powdered asphalt and 0.3 pint of powdered sulfur to boiling olive oil dregs. This is Cato's ancient Roman recipe for making pesticide to kill caterpillars on grape vines.

Farmers used crude pesticides like this even into the 20th century—with equally crude results.

But in the early 1940's, the development of new pesticides gave farmers much better weapons against bugs, weeds, and plant diseases. And during the past 20 years, modern pesticides have been instrumental in helping farmers boost output.

By 1964, almost 95 percent of the farmers in the 48 adjoining States were using pesticides for all purposes and they put out \$479 million for materials alone. This and other costs—such as almost \$60 million for custom pesticide services—show the broad use.

During 1964, USDA ran a pesticide survey, which for the first time gave some in-depth information about costs of materials used on specific crops and methods of application. Here's how the farm pesticide bill looked:

Crop	Million dollars
Cotton	114
Corn	72
Vegetables & potatoes	44
Apples	39
Tobacco	30
Wheat	9
Sorghum	3
Other grains	20
Soybeans	18
Citrus fruits	14
Other fruits, nuts, nursery & ornamentals	27
Other	34
Total crop	424
Livestock	31
Rodent control	7
Land not in crops	17
Total	479

This total was nearly triple the amount spent a decade before, in 1954.

For crops, farmers sprayed 75 percent of the pesticides (by value), applied 14 percent as dusts, spread 9 percent as granules, and applied 2 percent by other methods. (Granules were relatively new in 1964. Their use is expected to expand.) Apples were almost always sprayed—96 percent, with only 4 percent dusted. Cotton was sprayed 77 percent of the time, dusted 22 percent, and treated with granules, 1 percent.

In the livestock sector, sprays again dominated, accounting for about two-thirds of the value of pesticides applied. Cattle received 85 percent of the total value used on livestock.

More recent information on pesticides, based on USDA's 1966 pesticide survey, confirms the increases in use by U.S. farmers. For example, sales of herbicides have increased tremendously during the past 15 years. Use on cotton, almost nil in 1952, encompassed 52 percent of all cotton acres in 1966.

Generally, herbicide use increased the most on row crops. Specific crops include:

Crop	Percent of treated acres 48 States
Peanuts	63
Potatoes	59
Corn	57
Cotton	52
Rice	52



Safety warnings about pesticides, such as USDA's seal, have a historical basis. Cato the Censor, in his 150 B.C. recipe for caterpillar killer, advises the reader not to prepare the stuff under a roof. The mixture blazes up and the roof might catch fire.



SAM STAT SAYS "Check My Data" A brief roundup

■ **Bee buzz:** On July 1, there were 4.8 million colonies of bees in the U.S., down 1 percent from a year earlier. ■ **Twice Turkeys:** August 1 holdings of cold storage turkeys were 223 million pounds, over twice the August average, and 35 million pounds over July. ■ **Cranberry Crop:** More are in store, with mid-August forecast of 1.6 million barrels, up 11 percent from 1967. Massachusetts, Wisconsin, and Oregon should have better pickings, Washington and New Jersey worse. ■ **Sky-high sugarbeets:** Production is estimated at 24.7 million tons, almost 30 percent better than last year. ■ **Remember 1967?** In that year: Dairy-product production prospered, requiring the equivalent of nearly 60 billion pounds of milk, or one-half of all milk produced. Egg output was a record 70 billion eggs, but chickens raised declined 4 percent, to 326 million birds. Turkeywise, a record 126 million were raised. Potato production for the year fell a little short of 1966, totaling 305 million hundredweight.

FIBERLAND

Texas is already tops in production of three natural fibers: cotton, wool, and mohair. Now, Texan wool and mohair producers are taking full advantage of their lead to press for stronger prices and to rejuvenate demand for their fibers.

Accurate information about sheep and goat production and marketing was needed to make planning and goal-setting possible. So, last fall, the Texas Sheep and Goat Raisers Association contacted the Marketing Division of the Texas De-

partment of Agriculture and the Texas Crop and Livestock Reporting Service.

The result is a comprehensive bulletin, "Texas Sheep and Goat Industry", published recently by the Texas Crop and Livestock Reporting Service and Texas Department of Agriculture.

Highlighted in the bulletin were these dimensions of the top-ranking animal fiber industries:

—Texas produces 97 percent of the mohair and 20 percent of the wool produced in the U.S.

—Sheep owners operate on 19 percent of the

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State's farm land, while goat owners operate on 14 percent. Some operators have both sheep and goats. About one-half of this land is leased. And about two-thirds of Texas' 4.2 million sheep and 3.7 million goats (Jan. 1) are concentrated on the Edwards plateau.

—Cash receipts to sheep and goat ranchers in 1967 totaled nearly \$72 million.

Sheep and lamb sales accounted for 44 percent, wool sales for 21 percent, goat marketings for 7 percent, mohair for 14 percent, and Government payments, 14 percent.

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